

EXHIBIT ZZ

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 11-CV-2375 (JSR)

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ASSURED GUARANTY MUNICIPAL CORP.,
f/k/a FINANCIAL SECURITY
ASSURANCE INC.,

Plaintiff,

-against-

FLAGSTAR BANK, FSB; FLAGSTAR
CAPITAL MARKETS CORPORATION;
and FLAGSTAR ABS, LLC,

Defendants.

-----x

560 Lexington Avenue
New York, New York

January 4, 2012
9:30 a.m.

VIDEOTAPED DEPOSITION of JOSEPH R.
MASON, taken by the Defendants, pursuant to
Notice, held at the aforementioned time and
place, before Sherri Flagg, a Registered
Professional Reporter, Certified LiveNote
Reporter, and Notary Public.

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1 - J. MASON, Ph.D -

2 securitizations, did he?

3 A. He did make such findings in the
4 world of banking transactions.

5 Q. Can you answer my question yes or
6 no, sir?

7 MR. SWANSON: Read it back,
8 please. My question's very simple.

9 (Requested portion read.)

10 A. Professor Akerlof did not.

11 Follow-on literature by Allen Berger at the
12 Federal Reserve Board as well as Gary Gordon
13 at Wharton and George Bernanke at University
14 of Illinois, among other authors, did.

15 Professor Akerlof did not seek to
16 extend his theories to every conceivable
17 portion of the economic world, only giving a
18 few representative examples to suggest the
19 universality of his propositions, leaving it
20 to others to extend those to securitization.

21 Q. You do know, do you not, that
22 Assured did perform due diligence on the two
23 transactions at issue?

24 A. I don't know anything about
25 Assured's due diligence and I don't opine on

1 - J. MASON, Ph.D -

2 that for my report.

3 Q. I just showed you two exhibits
4 maybe a half an hour or so ago that reflect
5 those due diligence efforts, and you're
6 prepared to assume that they took place; are
7 you not?

8 A. I can assume on the basis of those
9 documents that something took place.

10 Q. Are you also prepared to assume
11 that Assured insured many more HELOC
12 securitizations than Flagstar ever issued?

13 A. I have no basis by which to make
14 that assumption. I have not been asked to
15 look at that and that's not an opinion
16 expressed in my report.

17 Q. Well, whether it's an opinion
18 expressed in your report or not, you
19 certainly would not be surprised if it were
20 true?

21 A. I wouldn't find it surprising or
22 unsurprising. It's not something that I
23 would even put in that category of
24 potentially surprising.

25 Q. Is it possible that Assured